

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 6523**

**BILL NUMBER:** HB 1142

**DATE PREPARED:** Dec 18, 2000

**BILL AMENDED:**

**SUBJECT:** Payment of Textbook Expenses.

**FISCAL ANALYST:** David Hoppmann

**PHONE NUMBER:** 232-9559

**FUNDS AFFECTED:** ☒ **GENERAL**  
☐ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State & Local

STATE IMPACT	FY 2001	FY 2002	FY 2003
State Revenues			
State Expenditures		47,900,000	48,100,000
Net Increase (Decrease)		(47,900,000)	(48,100,000)

**Summary of Legislation:** This bill provides for state payment of the first \$50 of textbook and materials expenses that would otherwise be billed to a student or the student's parent, guardian, or custodian for the textbooks or materials.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** The Department of Education would likely experience an increase in administrative time and cost fulfilling the requirements of this bill. The Department would be required to reimburse the cost of the first \$50 of rental fees and other costs to school corporations (per pupil) after the school corporation grants the credit to the parent, guardian, or custodian of the eligible student.

For FY 2002 and FY 2003, textbook fees and other costs are projected to range from \$63 to \$100 per pupil. School corporations would account for the remaining differences of \$13 [\$63-\$50] and \$50 [\$100-\$50] via the funding sources described below. Additional expenditures are estimated to be \$47.9 M for FY 2002 and \$48.1 M for FY 2003.

**Background** - School corporations currently pay for textbooks using textbook rental fees, proceeds from the sale of used textbooks, state reimbursement of textbooks for children who qualify for the Federal Free and

Reduced Lunch Program, and financial assistance from township trustees. As proposed by this bill, school corporations would be eligible to use a state credit of \$50 per ADM in addition to the above sources.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** See Explanation of State Expenditures.

**State Agencies Affected:** Department of Education.

**Local Agencies Affected:** School Corporations.

**Information Sources:** DOE ORACLE Data Tables.